

Employment and Training Administration, Labor

§ 641.406

(a) *Administration.* The cost category of Administration shall include, but need not be limited to, the direct and indirect costs of providing:

- (1) Administration, management, and direction of a program or project;
- (2) Reports on evaluation, management, community benefits, and other aspects of project activity;
- (3) Assistance of an advisory council, if any;
- (4) Accounting and management information systems;
- (5) Training and technical assistance for grantee or subgrantee staff;
- (6) Bonding; and
- (7) Audits.

(b) *Enrollee wages and fringe benefits.* The cost category of Enrollee Wages and Fringe Benefits shall include wages paid to enrollees for hours of community service assignments, as described in § 641.311, including hours of training related to a community service assignment, and the costs of fringe benefits provided in accordance with § 641.311.

(c) *Other enrollee costs.* The cost category of Other enrollee costs shall include all costs of functions, services, and benefits not categorized as administration or enrollee wages and fringe benefits. Other enrollee costs shall include, but shall not be limited to, the direct and indirect costs of providing:

- (1) Recruitment and selection of eligible enrollees as provided in §§ 641.304 and 641.305;
- (2) Orientation of enrollees and host agencies as provided in § 641.308;
- (3) Assessment of enrollees for participation in community service assignments and evaluation of enrollees for continued participation or transition to unsubsidized employment as provided in § 641.309;
- (4) Development of appropriate community service assignments as provided in § 641.310;
- (5) Supportive services for enrollees, including transportation, as provided in § 641.312;
- (6) Training for enrollees, including tuition; and
- (7) Development of unsubsidized employment opportunities for enrollees as provided in § 641.314.

(d) *Cost reductions.* Grantees may lower administration costs or other enrollee costs by assigning enrollees to

activities which normally would be charged to either of these cost categories. In such instances, the costs of enrollees' wages and fringe benefits shall be charged to the cost category of enrollee wages and fringe benefits. [Section 502(b)(1)(A) of the OAA.]

§ 641.405 Limitations on federal funds.

(a) The limitations on federal funds set forth in this section shall apply to SCSEP funds allotted to grantees for community service activities. Cost categories, limitations, and periods during which different limitations shall apply are set forth in paragraph (b) of this section.

(b) The cost categories and the limitations which apply to them shall be:

(1) *Administration.* The amount of federal funds expended for the cost of administration during the program year shall be no more than 13.5 percent of the grant. The Department may increase the amount available for the cost of administration to no more than 15 percent of the project in accordance with section 502(c)(3) of the OAA.

(2) *Enrollee wages and fringe benefits.* The amount of federal funds budgeted for enrollee wages and fringe benefits shall be no less than 75 percent of the grant.

§ 641.406 Administrative cost waiver.

(a) Based upon information submitted by a public or private nonprofit agency or organization with which the Department has or proposes to have an agreement, as set forth under section 502(b) of the OAA, the Department may waive § 641.405(b)(1) and increase the amount available for paying the costs of administration to an amount not to exceed 15 percent of the proposed federal costs of the grant. Each waiver shall be in writing. The Department shall administer this section in accordance with section 502(c)(3) (A) and (B) of the OAA.

(b) The waiver may be provided to grantees that demonstrate and document reasonable and necessary:

- (1) Major administrative cost increases;
- (2) Operational requirements imposed by the Department;
- (3) Increased costs associated with unsubsidized placement;